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Reference Price Announced for Sugarcane

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Report Highlights:

The National Committee for Sustainable Development for Sugarcane, through the Secretariat of Economy, recently published in the *Diario Oficial* (Federal Register) the sugarcane reference price for MY 2009/10. The reference price is the price that should be used to calculate sugarcane payments for the MY 2009/10 crop as well as payment to producers. The reference price is 6,579.21 pesos per MT (U.S. \$495.42/MT) and approximately 57 percent of that price is paid to sugarcane growers.

General Information:

Introduction: This report summarizes an announcement from the Secretariat of Economy published in Mexico's *Diario Oficial* (Federal Register) on October 29, 2009.

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

Title: Announcement of the Reference Price of Sugar - Standard Base - for MY 2009/10 as Proposed by the National Committee for the Sustainable Development for Sugarcane.

Executive Summary: The Secretariat of Economy published an announcement in the *Diario Oficial* (Federal Register) on October 29, 2009, that states the reference price that should be used to calculate sugarcane payments for the MY 2009/10 crop. The payment is 6,579.21 pesos per MT (U.S. \$495.42/MT at \$13.28 pesos per dollar exchange rate). According to what has been established by the National Committee, this reference price will be the definitive reference price of sugar for the payment adjustments of sugarcane for MY 2008/09. The reference price corresponding to MY 2009/010 will be modified later in the year to pay the liquidation of sugarcane as well as the final adjustment.

In accordance with Article 58 of the Law of Sustainable Development of Sugarcane, approximately 57 percent of the set reference price of standard sugar is paid to growers for their sugarcane.

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Useful Mexican Web Sites:

Mexico's equivalent of the Secretariat of Agriculture, SAGARPA, can be found at www.sagarpa.gob.mx and Mexico's equivalent of the Secretariat of the Economy can be found at www.se.gob.mx